



James: James Schramko here, and today I have a special guest from Internet Software Systems, Steve Ovens. Welcome Steve.

Steve: Good day, James.

James: So you're up visiting the lab, and we have been discussing all things Internet marketing for the last few days. I thought it would be good to record some ideas that we've been talking about. You up for that?

Steve: Sure. Yup. Up in the spaceship? It's good.

James: You're quite a technical fellow.

Steve: I've heard it said, yes. Back around in software development. Yes, I do tend to the technical.

James: Right. So something on my mind that I don't have a huge technical knowledge about is applications. We're hearing a lot about technology changing. I'm currently writing a post about Kindles because I've switched from books to Kindles.

Steve: Yeah. A lot of people are doing that apparently.

James: And I'm interested in publishing to the Kindle format. But the other thing that's pretty popular are apps.

How to build an app

Steve: Yeah. I mean a lot of people are asking about making apps and lots of businesses are interested in, can somebody make an app for them? Yeah, a lot of people have that question. How do I start, you know, how do I go about building an app?

I guess the first thing is just like a website. What's the purpose of it? Why are we making app in the first place? Just because the boss thinks it's a good idea or Bill down the road's got one, I think I should have one, is not a good idea. So we want the app to have some sort of purpose in a business.

It might be just to extend your reach. Real estate companies for example are using that to encourage people to go to open homes and that sort of thing. They're giving them those sorts of applications. But the thing that people struggle with is often that they just don't know where you start. How do you actually go about making that. Do you want me to talk a bit about that?

James: Yeah. I was just thinking why someone wants an app. There's a few groups I guess. One would be, you have a business, like the real estate agent. They want to extend something of value to a potential audience. I guess there's the other type who watched the webinar by a guru who told them they are going to be rich.

Steve: Yes, there's plenty of them.

James: Do those people generally succeed or are they just 2000 bucks out of pocket?

Steve: I suspect the largest number then would be \$2000 out of pocket.

James: What do you think is, what would cause that? Is there a big disconnect between the fantasy of having a money-making app and actually implementing it. Is it harder than they say or is it just as easy as it's made out?

Making and implementing it

Steve: Look, there's a lot of business models that work. But you often have to have the context to be able to approach them and succeed. What a lot of people are missing is that initial context that really allows them to evaluate, is this the right business model for me? Do I have the skills that are going to predispose me to be likely to succeed in this thing? Just to be able to evaluate the claims that are often made. When they put in the small print, these results are not typical. That's exactly what they mean. These results are not typical.

James: Right. So it's people who have the context to be able to make it work and do quite well with it. Look where you are up with your Apple app revolution. You used to design software in Silicon Valley at some point.

Steve: Yeah, I did. I spent four years in San Jose, California, which is down the road from Apple, a little bit down the road from Apple. That was really fun. We did some really cool stuff. I used to create. So before there were Google Maps, I was working with a company that made mapping applications. It's probably still the most fun that I've had doing something I was really passionate about. I loved doing it with a great group of people. It was just really good fun.

James: So the chance that apps will be that next wave of passion for you.

Steve: Yeah. I think there's a fair chance. I'm certainly interested in the topic. I've actually been along to some introductory training on what is all this stuff about because even though I've been building software since I was in short pants, it doesn't

mean that I'm a good app developer. I can't just start building apps. There's a whole bunch of staff to learn. Now that's because I want to know enough about it to make good decisions about who do I hire to build the apps for me, what should I be thinking about when I'm designing an app? Because you know, one of the things that the typical app device, the mobile device, it's really designed for content consumption.

You think about how you use a mobile phone or an iPad. It's 10 seconds while I'm staying in the banquet. It's not something that you necessarily spend hours on crafting the document. It's not designed to be a Word processing platform. So you've got to build an app that fits in with how people use it.

James: Yeah. I was just thinking with games, I know some spend more than 5 minutes on certain games. I think maybe some of that "get rich" biz opp was focusing around the game side of it. So we're talking about two different things here maybe.

Apps vs. games

Steve: Certainly. I think the games market is very competitive. I think the typical approach that people were taking was the saying, let's look at an app that's doing really well. So we see Angry Birds is doing really well. It's a super popular game. Let's go and create something that's a lot like that in terms of maybe the game physics or the gameplay.

James: Does it make a little bit of vomit come into your mouth by just the thought of how unoriginal and uninspired people are?

Steve: (laughs) Yeah. Let's just go and get a model of somebody that's already come up with a great idea.

James: Yeah. Why reinvent the wheel when you can steal one?

Steve: The things that I find interesting and exciting are the ones where you actually do have an idea and you go, "Wouldn't this be cool as an app?" When we've talked about your Wealthification process for example, that's one that to me stands out. It's

something that would be an original app. I should be giving away such great ideas as these.

James: I mean there are things like that, like business model generation apps. That's the sort of thing that I would use as a consumer, and I do. And then I find that it's...

Steve: It doesn't do quite what you want.

James: It's not quite solving the problem that I've been able to solve with Excel spreadsheets. So I guess we're coming in a completely different angle here. This is a business extension of something that I already have in my information division, and it would probably cross across into the software area of my business, where I want to extend the problem solving ability of my offer beyond just the format that it's currently in and take it into a portable arena.

Steve: Yeah. That's right. And you could use that in a number of different ways. I mean you might say, "Here's an app," which it could be there to create an audience for you, or which the business model generation one is a good example of that. It kind of presumes that you know the information that's in the book, to be able to use it really effectively.

James: So it sells the book.

Steve: Yeah, yeah.

James: Right. And it's also the sort of app that people who are interested in business share with each other.

Steve: Oh. I don't know whether you gave it to me or I gave it to you and said, "Hey, you've got to check this out. It's really cool."

James: I think Mike Rhodes gave me the book and then I've been sent the PDF and the app by several other people saying, "This is the sort of stuff you are interested in." So they've identified that level of interest.

Steve: And I think with those types of apps too, unlike the games where it might be \$1.99 for an Apple, I think the business model generation one is \$42 or something.

James: And for someone like me, I'd buy a book worth that much. And a thing that's on my iPad is great. So how much does an app cost?

How much is an app

Steve: To build, or to make, or to buy? (laughs)

James: Ha-ha. It depends. Are we buying? Are we selling?

Steve: Well, to build an app, you've got a couple of different options for making an app. The first thing is you could just create a mobile-friendly website. That's certainly an option.

James: That's the basic form of app.

Steve: It's a basic form of app. When you consider that an app is just a way for you to create interactive content that's available on a mobile device, it's an app. It just happens to be packaged in a mobile-friendly format. But there are limitations with that because you know, from inside of a Web page, I can't click on a button and take a photo, or some video, or go into my user library, or read the "Jaroscope" if I'm on an iPhone. None of these things are available on the device.

James: I didn't understand anything you just said.

Steve: The propeller starts spinning.

James: Wooh!

Steve: Well you know, I can't press a button on a webpage and make my iPhone take it.

James: The Jaroscope. I'm massively impressed.

Steve: I can't make a photo happen from inside of a webpage, because a webpage is running on your server and the iPhone is just a window on to that.

James: Right.

Steve: So but with these, if all you had to do was fill out a form and submit, which of course you wouldn't submit, we don't submit. But you know, if we continue or find out, that would be OK as an app design. And it could be a good way to prototype a design.

James: Ah. The minimum viable product. Just get it out there and see if people will say, "This is great. It would be good if it could do this or that."

Next steps

Steve: Yeah. Exactly. So then the next level that you kind of step up to, once you start saying, "Well, I really want this to run as a native app," because of course the other problem with a Web app is it has to be on the Internet. If I haven't got an Internet access, I can't play Angry Birds. So if I only use my app and it's a Web app then it has to have an Internet. So then the next step is I really want this to run on the device. What you then hit is the problem that the two most popular platforms, which is iPhone and Android, are completely incompatible. They don't talk to one another.

It'll be kind of like if some websites only worked on Firefox and some only worked on Chrome, but you know, if you had a website, it could be one or the other and you couldn't have both, that's kind of what where we're at at the moment with my mobile apps. And I don't think that's going to change anytime soon. You then go to decide, you can develop an app to run on a platform, which effectively will let the app run on either device. So it's like an interpreter platform.

James: What do they call that?

Steve: An interpreter.

James: Oh really? That's what they call it.

Steve: Yeah. It's a runtime interpreter. So you write an app which works on the runtime interpreter platform. And then if it's running on Android, the user then clicks the button and says, "Take a photo" and it makes the call, it translates that into the Android, please take a photo on the Android. And if it's an iPhone, same thing.

The issue with that is that you don't give access to all of the functionality of the device because it can only give you what's available in all the devices. So it's sort of the minimum available functionality if you only had a few basic things that might work. The other real problem is if you're trying to make a bestselling app or something that's actually going to succeed financially on its own as an app, there's no apps in the top 100 that are...

James: Right. So you've got to basically be a hardcore specialist for that platform.

Steve: You really got to say, "I want to do an iPhone or I want to do an ios."

James: And it is very expensive to develop multiple platforms?

Steve: Yes, because you can't reuse. The only bits you could reuse is the graphics.

James: How much is some companies paying for these apps to get developed?

The cost of app development

Steve: Well, it comes down then to the complexity. The bit that I know about is I find out development, I don't know anything about Android.

James: In Australia, I think they have a much higher iPhone. I think that's 50% or something.

Steve: Yes. It's quite high.

James: Massive marketshare.

Apple vs. Google

Steve: The interesting thing too is even though Apple has quite a small percentage overall of the phone market, they are the most profitable and the user base is kind of loyal. I'm looking for the right word there. They're quite passionate about I think the devices and stuff. That's the market that appeals to me. So I decided to go for it and said I want to specialize in iPhone. But everything I'm saying would be...

James: I think, correct me if I'm wrong, but it's a more controlled environment so probably more reliable for you to depend on.

Steve: Yeah. And again, there's two models here. I don't know if you've read the Steve Jobs as well.

James: Yeah, yeah. Open and close.

Steve: Open and close.

James: Close gets high quality and open gets cracked.

Steve: High quality gives you experience.

James: Is that right? I think that was the summary.

Steve: That was the summary. So it's almost like watching Apple and Windows again. This is exactly that sign battle. Only this time, it's iPhone; you know, closed, high quality, reliable, dependable. But like to get an app...

James: Is it Apple versus Google now?

Steve: I think so. Yeah.

James: So Google loves to pick a fight, don't they? They'll take on Facebook and they'll take on Apple. I think they lost the Facebook one though.

Steve: Oh Google Plus will come back (laughs).

James: Sure. You can Google Plus me the update about it.

Pick a horse

Steve: Oh, I will. I'll be sure to. Yeah. So really, in the end, you sort of pick a horse. And for me, that was the iPhone. What you then hit is the fact that developing for the iPhone, it's a much higher level language than your typical Web developer uses. So you can usually find developers like Visual Basic coders and those sorts of languages. iPhone apps are written in what's called Objective-C, which is an object oriented language. It's something that is a different way of thinking as a programmer, and it takes a bit of expectation.

James: So what you're saying is it's going to cost more.

Steve: It's going to cost more. There's the summary. And it does. I think that that's the other thing that people are not prepared for. Now, the caveat I'll put on this is if what you want is an iPhone app that just wraps your website, then companies have really got what you want.

James: Which I had for Internet Marketing Speed.

Steve: And how much was that? Was that a lot of money?

James: It was like a \$99 or something. It like pulls in my YouTube, Twitter and Facebook.

Steve: So companies have got effectively cookie cutter templates for those sorts of basic app where they say, "Look, it's a website. You give me this feed, this feed, this feed. I mash them all together and I give you an app with a couple of buttons and your content displayed."

James: So basically what we're saying is that apps are pretty much just like everything else.

Steve: They're just like everything else.

James: There's some high volume, low priced; there's quality, rare, expensive.

Steve: It's like websites. You can have a cookie cutter kind of website or you can have a custom website. Which one cost you more? The custom obviously.

James: So for your business and you want to have an application that extends something that you've got or it's a marketing funnel, or it does something cool like calculate, mortgage your payments or whatever, where are those companies going to get help? Do they find boutique builders? Do they go overseas?

Where to get help

Steve: So again there's a few different options there. If you have somebody internally in your company who is a skilled project manager and good at hiring people, then you could certainly conceivably hire a team yourself. The things that you need to be careful of when hiring overseas, the same as for any overseas hire that you're doing in any other role in your business, can I trust them? If I pay them x thousand dollars to build me some code, do they finish the job?

Will it be supported? It will be spaghetti code that nobody can understand, or only they can support it, or is it something that I could feasibly give to another developer in the future to add more enhancements to? Will I just take that code and resell it to somebody else? Or do I own it? Because some countries, there are copyright protection laws and contract for hire laws that say, "Well I paid for this. That's mine. Once you finished the job, it's all mine and you can't reuse it." Don't ask them to abide by that. You really want to be sure that you're working with a reliable team.

James: And so the other spectrum is I guess you'll have a company that just does everything for you in the same country.

Steve: You'd have a company that takes care of that for you. And look, like with everything else, what a business should be asking themselves the same as if they're

building a website or getting SEO done, or any of those sort of activities. Is that part of my core business that I should be creating a specialty? And then they're for hiring internally for it. Or is this really a function that is best left to a specialist? In that case, bring the specialist in. Because even though you want to pay more for that specially skill to get the job done, once the job is done, you're not paying for them, they're not on your staff wages for the rest of the time.

James: It's a contract. Open close. That was really interesting. I think you've brought us up to speed with a little bit more app stuff. I guess we could call this the first "app-date." I'd like to read questions to come through. Would you come back and answer some of them? This is like such a huge emerging field, and I want to get as up-to-date with it.

Steve: Sure mate. Happy to.

James: All right. Give us a final thought about apps to close on here.

Final thoughts

Steve: Well, the thing that has attracted me to it is that it is such a growing market. I mean people are just consuming apps and content on mobile devices at a growth that's just explosive. I was in Silicon Valley for the original tech bubble. I feel like I'm here for the next one. It's just exciting to be a part of it all over again. I think it should be something that businesses are looking at and saying, "Does it fit my business?"

James: Starting to research and get a feel for.

Steve: Should I be getting into this? Exactly.

James: Thanks, Steve O! That's Steve O from internetsoftwaresystems.com.

Steve: Thanks, mate!

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